SOCIALISM AND SUPERIOR BRAINS

BERNARD SHAW

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SOCIALISM AND SUPERIOR BRAINS

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FOUNDED 1883

THE FABIAN SOCIETY consists of men and women who are Socialists, that is to say, in the words of its "Basis," of those who aim at the reorganization of society by the emancipation of Land and Industrial Capital from individual and class ownership, and the vesting of them in the community for the general benefit. . . . For the attainment of these ends the Fabian Society looks to the spread of Socialist opinions, and the social and political changes consequent thereon. It seeks to promote these by the general dissemination of knowledge as to the relation between the individual and society in its economic, ethical, and political aspects.

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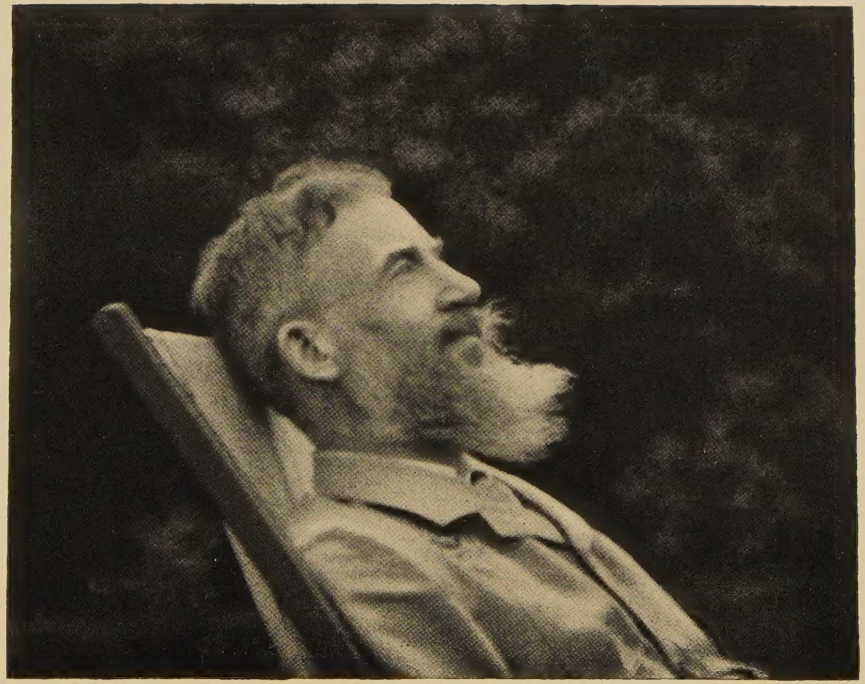

Bernard Shaw at the Fabian Summer School photographed by himself.

SOCIALISM AND SUPERIOR BRAINS

A REPLY TO MR. MALLOCK

By

BERNARD SHAW

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SOCIALISM AND SUPERIOR BRAINS

PREFATORY NOTE

IN January, 1909, Mr. Keir Hardie delivered an address in which he pointed out that the remarkable increase in our national income, of which so much was being said in the controversy then raging between Free Traders and Tariff Reformers, had not been shared by the working classes, who were no better off than before. Immediately Mr. W. H. Mallock wrote to The Times accusing Mr. Keir Hardie of ignorance of political economy, on the ground that an educated man would have known that as the increase had been produced by the exceptional ability of the employers and inventors, there was no reason to claim any share of it for the employee class. Thereupon I lost patience with Mr. Mallock and wrote the following letter to The Times.

MR. MALLOCK'S IDEALS.

TO THE EDITOR OF THE TIMES.

Sir,—Mr. Mallock's controversy with Mr. Chiozza-Money over the figures of Mr. Keir Hardie may very well be left to the embarrassed silence in which good-natured people sit when a person of some distinction volunteers an absurd blunder as a contribution to a subject which he has not mastered. The notion that the people who are now spending in week-end hotels, in motor cars, in Switzerland, the Riviera, and Algeria the remarkable increase in unearned incomes noted by Mr. Keir Hardie have ever invented anything, ever directed anything, ever even selected their own investments without the aid of a stockbroker or solicitor, ever as much as seen the industries from which their incomes are derived, betrays not only the most rustic ignorance of economic theory, but a practical ignorance of society so incredible in a writer of Mr. Mallock's position that I find it exceedingly difficult to persuade my fellow Socialists that he really believes what he teaches. They regard me as a cynic when I tell them that even the cleverest man will believe anything he wishes to believe, in spite of all the facts and all the text-books in the world.

However, that is not the point that moves me to utterance on this occasion. If Mr. Mallock does not know the difference between the rents of land and capital and the "rent of ability"—if he is so ignorant of ordinary business and patent law as not to know that the cleverest inventor cannot possibly extract a farthing more from his invention than his stupidest competitor when it has been communized 14 years after its registration—he must not expect the Socialists to educate him. My quarrel with him

is deeper than the technics of distribution. Mr. Mallock is preaching an ideal; and I want every gentleman in England to repudiate that ideal, whether he be Socialist, Individualist, Liberal, Free Fooder, Tariff Reformer, or Home Ruler.

The ideal is, not that the greatest among you shall be servants of all the rest, but that whenever one of us discovers a means of increasing wealth and happiness, steps should be taken to restrict the increase to the discoverer alone, leaving the rest of the community as poor as if the discovery had never been made. If Mr. Mallock does not mean this, he means nothing. If he does mean it, what does his University say to him? What does the Church say to him? What does every officer in the Army and Navy say to him? What does every Civil servant say to him, every statesman, every member of the humblest local authority, every professional man, every country gentleman, every man of honor, gentle or simple, who asks no more than a sufficient and dignified subsistence in return for the best service he is capable of giving to his country and to the world? This is not a question of the difference between the Socialist and the anti-Socialist: it is a question of the difference between the gentleman and the cad. Lord Lansdowne is not a Socialist, and Lord Charles Beresford is not a Socialist; but Lord Lansdowne has not asked for the hundreds of millions he saved Europe by making our treaty with Japan, and Lord Charles Beresford, if the German fleet attacked ours, would not refuse to conduct our naval defence unless the country were to be given to him as prize money when he had saved it. It is true that we have tradesmen—some of them in business on a very large scale both here and in America—impudent enough and base enough to demand for them-

selves every farthing that their business ability adds to the wealth of their country. If these *canaille* were surgeons with a monopoly of a capital operation, they would refuse to save a patient's life until they had extorted his entire fortune as a fee. If they were judges, they would sneer at a judge's modest £5,000 a year, and demand the total insurance value of the protection they afforded to society. If they were lifeboat coxswains or firemen, they would bargain for the kit of a drowning sailor or the nighty of a child in a burning house before they would throw a life-buoy or mount a ladder. They are justly despised by men of Mr. Mallock's profession and education ; and when Mr. Mallock challenges the right of our workmen to a share in the increased product of industry by asking whether their labor "has become more productive in respect of the laborer's own exclusive operations," he not only lays himself open to the obvious counter-question as to whether the "exclusive operations" of our employers could produce anything more than the exclusive operations of our laborers, but, what is far more serious, he seems to be lending the credit of his reputation, his education, and the high social and intellectual prestige of his class to the most abandoned sort of blackguardism that is still outside the criminal law.

It is fortunate for us that few of our tradesmen are so vile or so silly as the commercial theory by which theorists attempt to justify them. The man who has "made" £20,000 a year for himself knows very well that his success does not afford the smallest presumption that his services have been more important than those of a police-constable with 24s. a week. He does not dream of posing as the superior of the captain of a battleship with a modest income of three figures. Mr. Carnegie "divides up" his

surplus millions, and makes wildly Socialistic proposals, never for a moment suggesting that he is 50 times as clever as Mr. Mallock because he is 50 times as rich. I am not supposed to be an exceptionally modest man; but I did not advance the fact that I have made more money by a single play than Shakespear did by all his plays put together as a simple proof that I am enormously superior to Shakespear as a playwright. Our millionaires unload—awkwardly and unwisely sometimes, it is true, but still they unload—and do not talk nonsense about being 650 times as clever or as sober or as industrious as a dock-laborer because they have 650 times his income. The man who pretends that the distribution of income in this country reflects the distribution of ability or character is an ignoramus. The man who says that it could by any possible political device be made to do so is an unpractical visionary. But the man who says that it ought to do so is something worse than an ignoramus and more disastrous than a visionary: he is, in the profoundest Scriptural sense of the word, a fool.

In conclusion, may I confess that nothing is so terrifying to the Socialist to-day as the folly of his opponents? There is nothing to keep the inevitable advance steady, to force the rank and file to keep their best men forward. A paper called The Anti-Socialist is brought out with a flourish of trumpets. I open it, and find *vers de société* and a caricature of myself by a French artist, who depicts me in a French frock-coat, a Grand Old Man collar, and the countenance of Henri Rochefort. A Belgian navvy is labelled "Ramsay Macdonald": an American knock-about from the *café chantant* is carefully marked "Keir Hardie." Is it worth while to spend so much money to provide our Socialist debaters with footballs? If the

Socialists did not know the difficulties of Socialism better than their opponents, and were not therefore far sterner Tories than the tariff reformers and far sounder Liberals than the free-traders; if all decent men were not nine-tenths Socialists to begin with, whether they know it or not; if there were any possibility of controversy as to the fundamental proposition of Socialism that whoever does not by the work of his prime repay the debt of his nurture and education, support himself in his working days, and provide for his retirement, inflicts on society precisely the same injury as a thief, then indeed the prospect would be black for civilization. As it is, I will continue to back the red flag against the black one; and with that I leave the Anti-Socialist League to sweep up the fragments of Mr. Mallock and produce their next champion.

Yours truly,

Feb. 2. G. BERNARD SHAW.

Mr. Mallock made two replies to this letter. The first was sent to The Times, the readers of which had had my letter before them. It is practically a surrender without a blow. The second was sent to the other daily papers, the readers of which had not seen my letter. It is an attempt to retreat in fighting order.

The Times letter is as follows:

MR. BERNARD SHAW ON MR. MALLOCK

TO THE EDITOR OF THE TIMES.

Sir,—If Mr. Bernard Shaw cares to look into the pages of my "Critical Examination of Socialism," he will find

the opinion or "ideal" which he attributes to me stated with the most minute precision and emphatically repudiated. So far as I myself am concerned, his long letter is absolutely without relevance.

I am your obedient servant,

February 5. W. H. MALLOCK.

The letter to the other papers ran thus:

MR. MALLOCK AND G. B. SHAW

TO THE EDITOR OF THE MORNING ADVERTISER.

Sir,—Mr. Shaw, although in his letter to the press, published this morning, he diverges into a variety of details, says that his main object is to criticise an opinion, or an "ideal" which he imputes to myself. The ideal translates itself into the doctrine that whatever increment of wealth is produced by ability as distinct from labor ought to be entirely appropriated by the gifted individual producing it, and that nobody else should receive from it any benefit. I have no right to demand that Mr. Shaw should read my writings, but it is reasonable to demand that he should read them before he attempts to criticise my opinions or "ideals." If he had taken the trouble to read my "Critical Examination of Socialism," he would have found that the particular ideal or opinion which he imputes to me is described in that book with the utmost precision, but is described only that it may be in precise terms repudiated.

On page 202 he will find the following passages:—"If, therefore, the claims of labor are based on, and limited to, the amount of wealth which is produced by labor itself . . . what labor would receive would be far less, not more, than what it receives to-day. . . . Is it, then, here contended, many readers will ask, that if matters are deter-

mined by ideal justice, or anything like practical wisdom, the remuneration of labor in general ought henceforth to be lessened, or, at all events, precluded from any possibility of increase? . . . If anyone thinks that such is the conclusion which is here suggested, let him suspend his opinion until we return to it, as we shall do, and deal with it in a more comprehensive way." This question is taken up again, page 283, as follows:—"Is it, then, the reader will ask, the object of the present volume to suggest that the true course of social reform in the future . . . would be to bind down the majority to the little maximum they could produce by their own unaided efforts? The object of this volume is the precise opposite. It is not to suggest that they should possess no more than they produce. It is to place their claim to a surplus not produced by themselves on a true instead of a fantastic basis." Mr. Shaw may be left to read what follows if he pleases.

With regard to two other definite points, he touches farther on what he calls my opinions, or my "rustic ignorance" of economics. One of these relates to the "rent of ability." If he turns to pages 191–193 of my "Critical Examination of Socialism," he will find this question discussed with great minuteness, the truth contained in the doctrine held by himself and other Socialists admitted and endorsed, and an element in the problem, which is yet more important, but to which they are entirely blind, specified. With regard to what Mr. Shaw says about conflagrations and "babies' nighties," he will find this precise point anticipated and dealt with on page 122, "Critical Examination." I have, let me repeat, no right to claim that Mr. Shaw should read a line of anything I have written; but if in attempting to criticise the opinions and "ideals" of a writer, he imputes to him an

ignorance or neglect of problems, *e.g.*, the rent of ability, which he has discussed far more minutely than has Mr. Shaw himself, and attributes to him opinions which he has elaborately repudiated, Mr. Shaw will have hardly added to his reputation as a critic either of economic theory or of anything else. Mr. Shaw writes about myself very much as a man would write who mistook the Book of Genesis for the Koran.

I am, Sir, yours, etc.

W. H. MALLOCK.

February 5, 1909.

I am usually willing "to build a bridge of silver for a flying foe," but in this case I cannot let Mr. Mallock off without pursuing him to utter extinction. The book to which Mr. Mallock refers as shewing that he has dealt with my argument does nothing of the kind: it reaffirms his error as strongly as he knows how to do it. Even if it contained a recantation, I should still have to deal with his unprovoked attack on Mr. Keir Hardie, and with his "Short Epitome of Eight Lectures on the Principal Fallacies of Socialism," in which he speaks of the Socialist "promise of distributing among the great mass of the population that portion of the annual income *which is at present in the hands of an exceptionally able minority*."

But the Critical Examination of Socialism

contains no recantation. What it does contain is a statement that though everything that men enjoy over and above what a savage can wring from nature with his unaided hands is due to the exceptional ability of the few (represented, Mr. Mallock implies, by our rich class to-day), yet it is not expedient to strip them of everything they possess above that level, as otherwise they would have no interest in civilization, and would revolt. Therefore Mr. Mallock promises to shew, in a future book, how society can be arranged so as to give us all just enough to bribe us to allow the rich to remain in undisturbed enjoyment of their present position. If anyone doubts the fairness of this description of Mr. Mallock's last chapter, the book is easily accessible in the excellent cheap edition published by John Murray in November, 1908. In spite of the extravagance of the fundamental proposition of the book, which is that what a man produces is "that amount of wealth which would not have been produced at all had his efforts not been made" (pp. 206–7), thereby making every necessary laborer the producer of the entire wealth of the world, it is well worth reading, because it happens that any prejudice that

may still linger against Socialism is almost wholly based on such childish ignorance of existing social conditions, and defended by such absurd arguments, that Mr. Mallock is forced by his sense of intellectual honor to begin by making a clean sweep of the blunders of his own supporters. In doing so, he knocks the bottom out of Unsocialism as effectively as in his religious polemics he has knocked the bottom out of the vulgar sectarianism that passes for religion in this country. His object is to clear the ground for his own peculiar Individualism and Catholicism; but he has cleared it equally for the Fabian Society, which has the same interest as Mr. Mallock in dispelling ignorance and confusion of thought. Besides, it is as well that the world should know that just as it seems clear to many laborers that the men who walk about in frock-coats and tall hats, talking and writing letters, are not workers at all, and produce nothing, so these very frock-coated men believe, like Mr. Mallock, that the hired laborer is a brainless machine that owes the very fuel and grease that keep it working to the intelligence of the class that exploits it.

However, I need not argue the case with

Mr. Mallock now. It happens that in 1894 a wave of discussion of Socialism was passing over the press. Mr. Mallock was then already ventilating his theory that the distribution of wealth in this country into big fortunes for the few and pittances for the many, corresponds to the natural division of the British race into a handful of geniuses and many millions of mediocrities. His diagrams are still extant to shew the lengths to which he went. Mr. Frank Harris was then editing The Fortnightly Review. He asked me could I answer Mr. Mallock. I replied boyishly that any Socialist over the age of six could knock Mr. Mallock into a cocked hat. He invited me to try my hand ; and the result was the following essay, which appeared in the Review in April, 1894. I emphasize the date to shew that Mr. Mallock has had plenty of time to consider my case and answer it. When he put forth his Critical Examination of Socialism and accused Mr. Keir Hardie of illiterate ignorance, he forgot that his own Unsocialism had been critically examined, and that Mr. Keir Hardie had all the classic economists, from Adam Smith to Cairnes, at his back. Mr. Keir Hardie is, in fact, on this subject, demonstrably a better

read and better informed authority than Mr. Mallock.

I reprint my arguments as they appeared in 1894. During the fifteen years since, Oblivion has made a few topical allusions unintelligible, and Death has changed some present tenses into past ones. I have dealt with these by a few inessential alterations, and omitted some chaff and some literary digressions; but the case against Mr. Mallock stands as it did.

SOCIALISM AND SUPERIOR BRAINS

Mr. Mallock's general proposition is, that exceptional personal ability is the main factor in the production of wealth, and that the Fabian essayists, by failing to grasp this, have greatly exaggerated the efficiency of mere labor in the production of wealth. Let me see whether the irrepressible smile which this accusation has produced upon the countenances of the essayists can be transferred to those of the public, and finally to that of Mr. Mallock himself.

First, it is clear that such huge populations as ours really do owe their very existence to what Mr. Mallock defines as Ability, and not to what he defines as Labor. The whole advantage of a Transatlantic steamship over a man paddling on a tree-trunk, of a Great Northern express over a pilgrim's staff, of a Nasmyth steam hammer over the lump of

stone which St. Jerome uses to beat his breast in the pictures of the Old Masters, or of a power-loom over the plaiting power of the fingers: all this is the product, not of Labor, but of Ability. Give Labor its due, says Mr. Mallock; and it will receive only what it could produce if Ability had never existed. Now this would clearly be much less than enough to support even a fragment of our present population. Therefore, since Labor gets enough at present to keep it half alive or so, it must get more than its due (Mr. Mallock calculates forty per cent. more, though surely several thousand per cent. would be nearer the mark); and the excess is a clear tribute levied upon Ability for the benefit of Labor. I take it that this is an inexpugnable proposition. Far from repudiating it, as Mr. Mallock would seem to expect, I embrace it in the spirit in which Mrs. Gamp asked Mrs. Prig, "Who deniges of it, Betsy?" What on earth use would Ability be to us if it did not lighten our toil and increase our gain? We support and encourage Ability in order that we may get as much as possible out of it, not in order that it may get as much as possible out of us. Mr. Mallock seems to regard this as dishonest. Possibly it

is; but it is the sole safeguard for the existence of men of Ability. Give them and their heirs the entire product of their ability, so that they shall be enormously rich whilst the rest of us remain just as poor as if they had never existed; and it will become a public duty to kill them, since nobody but themselves will be any the worse, and we shall be much the better for having no further provocation to the sin of envy.

The Able Inventor.—This does not seem to have struck Mr. Mallock until the first appearance of this article in 1894. He had been preoccupied by the danger of the opposite extreme—that of grabbing the entire product of exceptional ability, and thus depriving it of its commercial incentive to action. Fortunately, society is not bound to go to either extreme: its business from the commercial point of view is to get the use of ability as cheaply as it can for the benefit of the community, giving the able man just enough advantage to keep his ability active and efficient, if it should really turn out that able men will act stupidly unless they are given extra pay. From the Unsocialist point of view

this is simply saying that it is the business of society to find out exactly how far it can rob the able man of the product of his ability without injuring itself, which is precisely true (from that point of view), though whether it is a reduction of Socialism to dishonesty or of Unsocialism to absurdity may be left an open question. Happily we need not dwell on the moral question, since we have long ago adopted the Socialist point of view in every case in which the working of our industrial system admits of it. Take Mr. Mallock's pet example, the inventor. His ability produces untold millions. Machine after machine is invented of which we are told that it has multiplied the productivity of labor twice, ten times, two hundred times, fourteen thousand times, and so on beyond the bounds of belief; and processes are devised by which metals are so strengthened that the formerly impossible is now possible, the gain being consequently incalculable. What do we do with the public benefactors who shew us how to perform these marvels? Do we allow them and their remotest posterity to wallow in the full product of their ability, and so lose all incentive to further exertion? Not a bit of it. We an-

nounce to them our intention of making their invention public property in fourteen years time, during which, provided they pay us certain fees for the privilege, we allow them by patent such a power of veto on the use of the invention as enables them to secure during that period a share—and only a share—of its product. If at the end of the fourteen years they can prove to us that their invention has made its way so slowly that they have not been reasonably repaid for their actual expenditure in time and money, we may perhaps extend their privilege for a further short period. But after that comes naked Socialistic expropriation, making the use of the invention free to the stupid and the clever alike.

The Able Author.—To vary the illustration, let us take the case of Mr. Mallock himself. For aught we know, Mr. Mallock's novels may outlive Don Quixote and Tom Jones; and his economic essays may stand as long as Aristotle's. The difference in value between a page of one of his works and the advertisement sheet of a daily newspaper is wholly due to his ability, ability of an order which it is admittedly the highest duty of statesmanship to

encourage to the utmost. Yet how socialistically we treat Mr. Mallock! We reward his exertions by an offer to lend him his own books for forty-two years, after which the dullest bookseller in the land will be free to send his works to the printer and sell them without paying a farthing to the author's heirs. And nobody suggests, as far as I know, that if we were to extend the duration of patents and copyrights to a million years, we should get one book or one invention the more by it.

Now let us suppose that on the expiration of Mr. Mallock's copyrights the cheap bookseller of the period were to make £10,000 by getting out a cheap edition of The New Republic, and were to call his gains the product of literary genius. The statement would be quite accurate; but if he were to go on to claim any special sacredness (say from taxation) for his £10,000 on that account, he would be promptly met by the question, *Whose* literary genius? And when he replied, as he would have to, "Well, William Hurrell Mallock's genius," his fellow citizens would certainly inform him that they were not, if they could help it, going to privilege him because somebody else was a great writer. Now I will

not say that any railway shareholder to-day is so absurd as to plume himself on the fact that his dividends are the product of inventive genius, leaving it to be inferred that the genius is his own and not George Stephenson's; but passage after passage in Mr. Mallock's anti-Socialist writings either means that a railway dividend is the reward of the ability which invented the locomotive steam-engine or else means nothing at all. The obvious fact that the interest on railway stock in this country is paid mostly to people who could not invent a wheelbarrow, much less a locomotive, he treats as an ingenious Fabian paradox. And a cool assumption that every child, every woman of fashion, every man about town, every commonplace lady or gentleman who holds shares in an electric lighting company, or a telephone company, or a Transatlantic steamship company, is a Wheatstone, a Bell, an Edison, a Bessemer, a Watt, or a Stephenson, he gravely reasons upon, and takes as a basis for elaborate statistical calculations and startling diagrams, as if it were sober sense instead of the most laughably extravagant bluff that has ever been attempted, even in a controversy on Socialism. I am convinced that Mr. Mallock himself, now

that I have placed his argument naked before him, will throw himself on the mercy of the town, and ask whether it is likely that so clever a man as he could have meant anything so outrageous. But there are his figures, graphic and arithmetical, to shew that he meant that interest on capital is the price of exceptional ability, and that profits include payment for every human invention, from the potter's wheel to the marine steam-engine. Let me not here seem to disparage his common sense offensively. I cannot seriously believe that if some relative were to leave him a million of money, he would say to his stockbroker, "I am not satisfied with being a well-known author: I wish to be a great engineer too; so buy me some Manchester Ship Canal stock. I also yearn for fame as an aviator: get me instantly a few shares in the company which manufactured Monsieur Bleriot's aeroplane. As I wish to secure immortality as a great sculptor, I shall call a great statue into existence by my capital: no doubt Monsieur Rodin or some other professional person will put in the mere manual labor for a few thousand guineas. I have also, I must confess, a curious longing to be remembered as a famous actress: I shall

therefore build a theatre and engage Sarah Bernhardt, Eleonora Duse, and one or two other female proletarians, who, without the aid of capital, would be selling oranges like Nell Gwynne." I feel sure Mr. Mallock has far too much ability to go on in any such insane way ; and I even believe that if a laborer were to write articles claiming that labor was so mighty that one workman could with a single stroke knead a mass of metal as if it were a lump of dough or slice a bar of steel like a cucumber, Mr. Mallock would smash such idiotic pretensions with the utmost brilliancy. Therefore, as I say, I am loth to trip him up for having advanced cognate pretensions on behalf of the shareholding class. I had rather by far hold my tongue ; and I would have done so if only Mr. Mallock would leave the Fabians and Mr. Keir Hardie, who never injured him, unmolested. Why cannot a man write bad political economy without coupling it with an attack on the Fabian Society ? The profit is naught ; the retribution sudden, swift, and fearful.

Ability at Supply-and-Demand Prices.— The facts about " rent of ability " are not so

simple as Mr. Mallock thinks. To begin with, the price of ability does not depend on merit, but on supply and demand. Plato was, on the whole, a greater author than Old Moore, the almanack maker; but if he were alive now he would not make so much money by his books. When Ibsen died he was unquestionably the greatest dramatist of the nineteenth century; but he was very far indeed from being the richest. Great philosophers and poets are apt to starve because, as their wares are above the heads of the public, there is no demand and therefore no price, although the commodity offered is very scarce and precious. But when the ability is of a sort everyone can appreciate, or, above all, that can make money or cure illness, there is no lack of demand. Sometimes there is no lack of supply either: for instance, in a modern city the policemen, the firemen, the sewermen, are supposed to save property, life, and health wholesale: yet their ability is to be had without stint for twenty-four shillings a week or thereabouts, because the supply is large. Not so the supply of popular portrait-painters, novelists, dramatists, consultant physicians, special pleaders, and directors and organizers

of industry. These popular persons get large sums, not because their talents are more useful to society than those of the policemen, but solely because they are scarcer.

Imaginary Ability.—I say popular persons rather than able persons; for the public is often a very bad judge of ability. For example, there died a short time ago a barrister who once acquired extraordinary celebrity as an Old Bailey advocate, especially in murder cases. When he was at his zenith I read all his most famous defences, and can certify that he always missed the strong point in his client's case and the weak one in the case for the prosecution, and was, in short, the most homicidally incompetent impostor that ever bullied a witness or made a "moving" but useless appeal to a jury. Fortunately for him the murderers were too stupid to see this: besides, their imaginations were powerfully impressed by the number of clients of his who were hanged. So they always engaged him, and added to his fame by getting hanged themselves in due course. In the same way a surgeon will get a reputation as the only possible man to consult in cancer cases simply

because he has cut off more breasts than anyone else. The fact that in all the professions there is one first favorite means no more than the fact that there is only one editor of The Times. It is not the man who is singular, but the position. The public imagination demands a best man everywhere; and if Nature does not supply him the public invents him. The art of humbug is the art of getting invented in this way. Every generation invents great men at whom posterity laughs when some accident makes it aware of them. Even in business, the greatest reputations are sometimes the result of the glamor of city superstition. I could point to railway chairmen reputed indispensable, whom the shareholders and the travelling public might with great profit and comfort to themselves send to St. Helena with a pension of £10,000 a year.

The Ability that Gives Value for Money.—But in business, as a rule, a man must make what he gets and something over into the bargain. I have known a man to be employed by a firm of underwriters to interview would-be insurers. His sole business was to talk to them and decide whether to insure or not.

Salary, £4,000 a year. This meant that the loss of his judgment would have cost his employers more than £4,000 a year. Other men have an eye for contracts or what not, or are born captains of industry, in which cases they go into business on their own account, and make ten, twenty, or two hundred per cent. where you or I would lose five. Or, to turn back a moment from the giants to the minnows, take the case of a woman with a knack of cutting out a dress. She gets six guineas a week instead of eighteen shillings. Or she has perhaps a ladylike air and a figure on which a mantle looks well. For these she can get several guineas a week merely by standing in a show-room letting mantles be tried on her before customers. All these people are renters of ability; and their ability is inseparable from them and dies with them. The excess of their gains over those of an ordinary person with the same capital and education is the "rent" of their exceptional "fertility." But observe: if the able person makes £100,000, and leaves that to his son, who, being but an ordinary gentleman, can only get from two and a half to four per cent. on it, that revenue is pure interest on capital and in no sense what-

ever rent of ability. Its confiscation would set an idle man to work instead of depriving ability of its motive for exertion. When the late Lord Goschen was Chancellor of the Exchequer, he confiscated a half per cent. of the interest on Consols without checking the exercise of ability in the least. Later on, when the value of even the reduced Consols was further reduced twenty-five per cent. by the South African War, and simultaneously the Income Tax (which is pure confiscation) jumped up to a shilling in the pound, the effect was not to dull our wits but to sharpen them. Raise a tradesman's rent (a very common form of private confiscation) and he works harder, not softer.

Waste of Ability and Inflation of its Price by the Idle Rich.—Let us consider now how far exceptional payments depend really on the ability of the earner, and how far on the social conditions under which they occur. To begin with a striking instance. A famous painter charges, and gets, 2,000 guineas for painting a portrait. Such a price is rendered possible solely by the existence of a class of patrons so rich that the payment of 2,000 guineas inflicts

less privation on them than the payment of sixpence to an itinerant photographer on Hampstead Heath inflicts on a courting costermonger. These portraits are as often as not portraits of persons of average or inferior ability. If such persons had to earn the price of their portraits by their own labor, they would not pay two guineas, much less 2,000, for a portrait. On the other hand, the painter demands 2,000 guineas solely because he finds that he can get it, not in the least because his genius refuses to operate under a weaker stimulus. He will paint as good a portrait for £50 as for £2,000 if £50 is the top of his market: greater painting than any yet produced in Melbury Road or Fitzjohn's Avenue has been worse paid than that. The fashionable physician, the surgeon pre-eminently skilled in some dangerous operation, the Parliamentary barrister, all owe the excess of their incomes over that of, say, a cabinet minister, to the competition among enormously rich people or huge companies for their services. In order to state the case in the most foolish possible way, let me put it that modern Capitalism has created thousands of guineas' worth of professional ability where only tens and hundreds existed before. All

that this means is that it has raised the price of certain sorts of ability twenty-fold without at all improving their quality. And in enabling idle rich people to buy up the best of this ability, it has greatly wasted and nullified it. The eminent painter paints unmemorable people; the fashionable physician preserves the lives of useless people; the Parliamentary barrister would be more useful to society as an upper division clerk in the legal branch of some public department. Generally speaking, it may be said that our capitalists pay men of ability very highly to devote their ability to the service of Capitalism; and the moment society begins to outgrow the capitalistic system, it is no longer permissible to assume that ability devoted to the service of Capitalism is serviceable to society, or, indeed, that ability which can only flourish in that way is, from the social point of view, ability at all.

Artificial Rent of Ability.—One result of that social inequality which Capitalism produces, and which Mr. Mallock admires as innocently as Pendennis admired Miss Fotheringay, is to produce an enormous artificial rent of ability. Just as high farming increases the

yield of an acre of land, so education may increase the yield of a man. But high farming cannot increase the natural rent of an acre, since all the other acres can be high-farmed too; so that the difference between the worst acre and the best (otherwise the "economic rent") can be reduced finally by equality of cultivation until it is no longer greater than the natural difference in fertility. Just so, by educating everybody, the social advantage which the educated man now has over the uneducated one can be destroyed, as it has been in the upper classes to-day. Again, enormous salaries are now paid to men because they add to ordinary business qualifications the habits and "manners and tone" of people who have unearned incomes of £10,000 a year and upward. By doing away with such incomes of idleness, society could make such habits impossible, and such manners and tone ridiculous. If Mr. Mallock will only consider that at present the mass of our population is so poor that any presentable sort of literateness or social amenity, down even to personal cleanliness and a reasonable reticence in the matter of expectoration, has a distinct scarcity value, he may gain some faint suspicion of how much of that

£490,000,000 a year which we pay in profits and salaries represents rent, not of natural ability, but of social opportunity.

Artificial Ability.—There is another sort of artificial superiority which also returns an artificial rent: the superiority of pure status. What are called "superiors" are just as necessary in social organization as a keystone is in an arch; but the keystone is made of no better material than many other parts of a bridge: its importance is conferred on it by its position, not its position by its importance. If half-a-dozen men are cast adrift in a sailing boat, they will need a captain. It seems simple enough for them to choose the ablest man; but there may easily be no ablest man. The whole six, or four out of the six, or two out of the six, may be apparently equally fit for the post. In that case, the captain must be elected by lot; but the moment he assumes his authority, that authority makes him at once literally the ablest man in the boat. He has the powers which the other five have given him for their own good. Take another instance. Napoleon gained the command of the French army because he was the ablest general

in France. But suppose every individual in the French army had been a Napoleon also! None the less a commander-in-chief, with his whole hierarchy of subalterns, would have had to be appointed—by lot if you like—and here, again, from the moment the lot was cast, the particular Napoleon who drew the straw for commander-in-chief would have been the great, the all-powerful Napoleon, much more able than the Napoleons who were corporals and privates. After a year, the difference in ability between the men who had been doing nothing but sentry duty, under no strain of responsibility, and the man who had been commanding the army would have been enormous. As " the defenders of the system of Conservatism " well know, we have for centuries made able men out of ordinary ones by allowing them to inherit exceptional power and status; and the success of the plan in the phase of social development to which it was proper was due to the fact that, provided only the favored man were really an ordinary man, and not a duffer, the extraordinary power conferred on him did effectually create extraordinary ability as compared with that of an agricultural laborer, for example, of equal natural endowments. The

gentleman, the lord, the king, all discharging social functions of which the laborer is incapable, are products as artificial as queen bees. Their superiority is produced by giving them a superior status, just as the inferiority of the laborer is produced by giving him an inferior status. But the superior income which is the appanage of superior status is not rent of ability. It is a payment made to a man to exercise normal ability in an abnormal situation. Rent of ability is what a man gets by exercising abnormal ability in a normal situation.

How Little really goes to Ability.—If Mr. Mallock will now take his grand total of the earnings of Ability, and strike off from it, first, all rent of land and interest on capital; then all normal profits; then all non-competitive emoluments attached to a definite status in the public service, civil or military, from royalty downwards; then all payments for the advantages of secondary or technical education and social opportunities; then all fancy payments made to artists and other professional men by very rich commonplace people competing for their services; and then all excep-

tional payments made to men whose pre-eminence exists only in the imaginative ignorance of the public, the remainder may with some plausibility stand as genuine rent of natural ability. But in making these calculations, I would warn him against exaggerating the life incomes of the most envied professional men and skilled workers. It is not for nothing that highly educated and cultivated men go into that part of Socialism which already exists, the Civil Service, and leave the competitive prizes of the professions to be scrambled for by persons who, as a class, are by no means their superiors. In the Civil Service there is status; there is pay from the time you begin work; there are short hours and at least the possibility of good health; there is security; there is a pension; and there is early marriage without imprudence or misalliance. In the professions the beginners are forty; there is no security; health is impossible without the constitution of a thousand horses; work never ceases except during sleep and the holidays which follow the usual breakdown two or three times a year; shirking or taking things easily means ruin; the possibilities of failure are infinite; and the unsuccessful professional man

is wretched, anxious, debt-crippled, and humbled beyond almost any other unfortunate who has mistaken his vocation. If the income which a successful man makes between forty-five and sixty-five be spread over the preceding twenty years; if the severity of the brain-work as compared with that needed for any sort of routine be taken into account; and if a sufficient allowance be made for that part of the remuneration which may fairly be regarded as high interest on a frightfully risky investment, I think Mr. Mallock will begin to understand why the State can even now get into its service at moderate salaries men no less able than the professions attract, especially among those who have had a first-rate education, but who have to begin to support themselves immediately their education is finished.

The same care should be taken in estimating those high wages for manual labor which sometimes make the needy gentleman envy the boiler-maker or the steel-smelter. Such workmen, if their physique is extraordinary, can make £8 a week in the prime of life. But the prime of life does not last very long at work that fetches that price. It is as well worth a strong man's while to be a policeman with a

sixth of such wages. Mr. Mallock was once greatly struck with the wages earned by the coal-hewers during the boom of 1872–3: he never tired of telling us stories of the dogs fed on beefsteaks, of the pipes with four bowls, and the rest of the evidence that the world is not going to be reformed offhand by giving £5 a week to men who have never had the chance of learning how to spend two. He might have added that mortality statistics bring out coal-mining as a healthy occupation, the truth being that when a miner is past his best working period, he has to fall back on some poorer occupation above ground, so that but few men die coal-miners. From one end to the other of the social scale nothing is more misleading than to assume, in the case of those who are paid competition wages, fees, or salaries, that they receive the top price paid in their profession or trade constantly throughout their whole working life. Further, in estimating the value of large salaries and high fees, it is necessary to take into account how much of it is mere payment of the expenses involved by the social position in which alone they can be earned.

A young man building up a fashionable

practice as a doctor in London cannot save a farthing out of £1,000 a year, though his personal tastes may be so inexpensive that in the Civil Service he would save £200 a year out of a salary of £400 without the least privation. As was pointed out, I think, in Fabian Essays, the servants in Dublin Castle are better paid than the Lord Lieutenant of Ireland, because they can live on their wages, whereas he cannot. Mr. Mallock expresses the greatest scepticism as to the Fabian estimate of £800 a year *real* salary as sufficient to attract men of first-rate ability and education at present. No doubt it seems a trifle when one fixes one's eyes on the men who are making from £10,000 to £20,000 a year at the professions, or on the millionaires of America. But you have only to look in other directions to find men of at least equal ability and character to whom an assured income of £800 a year would be a fortune. At all events, the hard fact remains that neither in our civil nor military services do we find it necessary to pay salaries equal to the income of a leading financier, contractor, physician, or K.C. As to chemists, biologists, astronomers, mathematicians, economists, poets, and the higher brainworkers generally, no fairly

prosperous publican would look at their professional incomes.

Socialism the Paradise of the Able.—It seems to me that Social-Democracy would, in comparison, be the paradise of the able man. Every step that we make towards it takes our industry more and more out of the hands of brutes and dullards. The fellow who in the first half of the nineteenth century (the wicked century, as posterity will call it) could make a fortune out of cotton spinning only on condition that he was allowed to use up nine generations of men mercilessly in one generation, has been driven out of the trade by that pioneer of Socialism, the factory inspector. When the working day in England is reduced to eight hours by law, and the employment of a human being at less than a living wage is made a felony, the incompetents who cannot make their trade self-supporting on these humane and reasonable conditions will simply have to see their business slip from them into the hands of those who can. The sweater will have to go the way of the flogging schoolmaster, or the captain who can only maintain discipline by making his ship a floating hell.

Society will keep raising the standard of popular welfare to which industrial management must be adjusted, until an employer will no more be allowed to kill people by overwork or poisonous processes than he is now to kill them by sword or gun. And at every step of the process a fringe of the most selfish and stupid employers will be disqualified and beaten off into the ranks of the employed, their customers going to swell the business of men with ability enough to succeed under the new conditions. If there be any employer who will be "ruined" by having to reduce the hours of labor of his employees from ten, twelve, fourteen, or sixteen to eight, or to raise their wages from four, twelve, or sixteen shillings a week to twenty-four or thirty, then the sooner he is "ruined" the better for the country, which is not benefited by allowing its population to be degraded for the benefit of duffers. Mr. Mallock is right in supposing that Socialism, if it wants ability, will have to pay for it, but quite wrong in supposing that the price will be eight-thirteenths of the national product.

The Highest Work also the Cheapest.—I am by no means sure that an occupation so

exceedingly agreeable to the men able to do it well as the organization of industry, may not at last come to be cheaper in the market than the manual labor involved by such disagreeable and dangerous tasks as sewerage, foundry work, stoking, certain kinds of mining, and so on. Clearly, if Mr. Mallock or myself had to choose between managing an iron-works for £250 a year and puddling for £500, we should jump at the £250. In fact, it is already evident that numbers of the occupations now filled by the working classes will eventually have either to be replaced by new processes or else dropped altogether, through the impossibility of finding men or women willing to submit to them. Nobody anticipates any such difficulty with regard to the pursuits of the middle classes. Already, in many manufacturing towns, it is difficult to get even a half-witted domestic servant. The girls prefer the mill to the kitchen. But there is no difficulty in getting matrons for public institutions. How is it that Mr. Mallock, who has himself chosen a profession in which, unaided by clerks, he has to exercise ten times the ability of a stockbroker for perhaps a fifth of what the stockbroker would consider handsome remuneration, seems never to have con-

sidered the very first peculiarity of exceptional ability, namely, that unlike mere brute capacity for the drudgery of routine labor, it is exercised for its own sake, and makes its possessor the most miserable of men if it is condemned to inaction? Why, bless my heart, how did Fabian Essays, which Mr. Mallock admires so much, come to be written? Solely because the writers were able to write them, and, having the usual allowance of vanity, would not hide that ability under a bushel, though they knew beforehand that not one of them would ever touch a farthing of any pecuniary profit that might arise from the publication. If an ordinance were issued to-morrow that every man, from the highest to the lowest, should have exactly equal pay, then I could quite understand difficulties arising from every man insisting on being head of his department. Why Mr. Mallock should anticipate rather that all the heads would insist on becoming subordinates is more than I can reconcile with the intelligence for which he is famous. As a matter of fact there would be no novelty about the arrangement. Equal pay for persons of the most varied attainments exists at present within class limits. As to chiefs receiving less

than subordinates, a naval captain's salary is smaller than that of many men in subordinate and relatively undignified commercial positions.

The Economics of Fine Art.—I might go on to make many amusing conjectures about the prodigious fortunes which great artists will perhaps make under Social-Democracy by simply putting a turnstile at the door of their studio or music-room, and charging five shillings a head for admission, which would presumably be freely paid by the cultured and prosperous millions of that period. But the economics of Art deserve an essay all to themselves. The difference between the baker, who produces something that is destroyed by the first consumer, and the artist, who produces something that is none the worse after generations of consumers have had their fill of it, is full of matter for the economist. And yet none of our professors have thought of writing a chapter on the Royal Academy turnstiles, which coin shillings in defiance of all the normal laws of production and consumption.

Profits and Earnings *versus* Rent and Interest.—Mr. Mallock has never got away

from that unfortunate economic discovery of his about the hundreds of millions annually paid as rent and dividends being created by the ability of the recipients. During his lifetime he has seen several thousand millions of it produced by labor and ability, and then handed over gratuitously to "the man who has only to take a pair of scissors and to clip coupons, or to write a receipt for the tenant who pays him rent" (I borrow the phrase from that excellent Conservative, the late Prince Bismarck). Large shares of it pass daily under Mr. Mallock's very nose from adults to infants, from able men to imbeciles, from thrifty men to wasters, from all sorts of persons who might conceivably be producing something voluntarily and without compulsion for the community in return for what it unconditionally gives them, as Ruskin did, to ladies and gentlemen who make no pretence of producing anything. Must I again quote that well-worn passage from the late Professor Cairnes's Some Leading Principles of Political Economy, which formulated the conclusions of the orthodox economy on this subject, and which has never been challenged or contradicted by any economist until to-day, when Mr. Mallock dashes his

head against it under the impression that it is a novel and dangerous heresy launched by a few sophistical Fabians? Here is the passage, which I quote with the more satisfaction, as nobody would tolerate such strong language from me:—

> That useful function, therefore, which some profound writers fancy they discover in the abundant expenditure of the idle rich, turns out to be a sheer illusion. Political economy furnishes no such palliation of unmitigated selfishness. Not that I would breathe a word against the sacredness of contracts. But I think it important, on moral no less than on economic grounds, to insist upon this, that no public benefit of any kind arises from the existence of an idle rich class. The wealth accumulated by their ancestors and others on their behalf, where it is employed as capital, no doubt helps to sustain industry; but what they consume in luxury and idleness is not capital, and helps to sustain nothing but their own unprofitable lives. By all means they must have their rents and interest, as it is written in the bond; but let them take their proper places as drones in the hive, gorging at a feast to which they have contributed nothing.

What is the secret of the difference between the views of Cairnes and those of Mr. Mallock? Simply that Cairnes knew the difference between profits and general earnings on the one hand, and rent and interest on the other; whereas Mr. Mallock has jumped at the con-

clusion that because ability can produce wealth, and is rare, and men who are rich are also rare, these rich and rare ones must also be the able ones? How else can you account for them? How, indeed, if you happen to be still at the wrong side of that *pons asinorum* of political economy, the law of rent, with all its very unexpected social reactions! The Fabian essayists have done their best to convince Mr. Mallock that if the Duke of Westminster makes 500 times as much as a landlord as Mr. Mallock does as an author, it is not because the Duke is 500 times as clever as Mr. Mallock. But Mr. Mallock is modest, and will have it so; and I will worry him no further about it.

Government of the Many by the Few.—Mr. Mallock is much impressed by the fact that throughout history, from the shepherd kings to the nitrate kings and beef barons, we find the few governing the many. If by this he means that the few have ever been able to raise the many to their own level, then he is blind to the historical tragedy of greatness. But it is true that such organization as the many have been capable of has always been directed for them, and in some cases imposed

on them, by the few. And I have no doubt that under Social-Democracy the few will still organize, and that, too, without having to consider at every step the vested interests of moneyed noodledom in "the system of Conservatism." Well has Mr. Mallock pointed out that the evolution of society produces, not anarchy, but new types of ruler, and, I would ask him to add, new forms of government. Once it was the first William with his sword and his barons. Then it was the first Edward, with his commission of *quo warranto*, bending the necks of those barons. But yesterday it was the cotton king with his capital and his ogreish factory: to-day it is the Factory Code bending the necks of the ogre cotton kings. To-morrow it may be—who knows?—an able Labor Ministry, backed up by a bureaucracy nursed on Fabian Essays. But Mr. Mallock's historic generalization will hold good: the few will still organize the many. That great joint-stock company of the future, the Social-Democratic State, will have its chairman and directors as surely as its ships will have captains. I have already pointed out that ships must have captains, even when there is an absolute level of ability on board, just as an

arch must have a keystone. I cast back to that now only for the sake of reminding Mr. Mallock that this fact of the direction by the few of the many which he finds involved in all forms of social organization, has no necessary connection with any natural superiority on the part of the few. Indeed, Mr. Mallock will find it impossible to prove that the governing few have ever, in any generally valid sense, been the ablest men of their time. James I. governed Shakespear: was he an abler man? Louis XV. and his mistresses governed Turgot: was it by their superiority in ability or character? Was Mr. Balfour an abler man than Mr. Asquith until the last general election? and has Mr. Asquith been the abler since? Have all the men who have governed Mr. Mallock been abler than he is?

These questions are nonsensical because, as Mr. Mallock himself has remarked, ability is not an abstract thing: it always means ability for some definite feat or function. There is no such thing as the ablest man in England, though there is such a thing as the ablest high jumper, the ablest hammer thrower, the ablest weight lifter, etc. When we come to more composite questions, such as the ablest finan-

cier, or strategist, or organizer of some particular industry, we call that man the ablest who has most of the qualities which happen to be supremely important, *under existing conditions*, in finance, strategy, or the particular industry in question. Change the conditions, and quite another set of men will be the ablest. Every year gives us a fresh example of the fact that a man who has succeeded conspicuously in some enterprise in America may fail ignominiously in it in England, the reason being that he is an able man for the purpose under American conditions, and an incompetent one under English conditions. The Owenite Socialists who had made fortunes in business, failed to make good their reputation even for common sense in their attempts to organize Owenism. Or, to take one of Mr. Mallock's own illustrations, the able man of feudal England was quite a different man from the able man of commercial England. At least, let us hope so. As to Mr. Mallock's exceedingly unhistoric apprehensions that the said able men will refuse to exercise their ability for good pay and pension from Social-Democracy, unless they are also provided with opportunities of investing their savings in order

to make idlers of their children, I doubt whether the public will take the alarm. He may depend on it that Social-Democracy, like all other Ocracies, will have a great deal more trouble with its idle and worthless members than with its able ones.

The Incentive to Production.—"Men," says Mr. Mallock, "will not exert themselves to produce income when they know that the State is an organized conspiracy to rob them of it." My impression hitherto has been that the whole history of civilization is the history of millions of men toiling to produce wealth for the express purpose of paying the tax-collector and meeting the State-enforced demands of landlords, capitalists, and other masters of the sources of production. Mr. Mallock might as well deny the existence of the Pyramids on the general ground that men will not build pyramids when they know that Pharaoh is at the head of an organized conspiracy to take away the Pyramids from them as soon as they are made. Are not those very rents and dividends over which Mr. Mallock has so ingeniously gone astray, produced to-day by workers of all grades, who are compelled

by the State to hand over every farthing of it to "drones," as Professor Cairnes called them? But the Attorney-General does not retire from the Bar because he has to hand over part of his fees to the lord of the plot of English soil on which his private house is built; nor did the factory girl refuse to toil, amid poisonous fumes of whitelead and phosphorus, because from ten to thirty per cent. of what she and the rest of the factory staff produced was taken from them and handed over to shareholders who never saw the factory, and whose original contributions to the cost of its erection had been replaced out of its own produce long before. When the State said, to Attorney-General and factory girl alike, "Submit, starve, or go to prison; which you please," they submitted, that being the most comfortable of the three alternatives. A Social-Democratic State could "rob" (the word is Mr. Mallock's, not mine) in the same fashion if its constituents, against their own interests, gave it a mandate to do so. If "the idle rich" (Professor Cairnes again) were taxed so heavily as to leave them nothing but bare agents' fees for the collection of their incomes and their transfer to the Inland Revenue Department, there is no reason to

suppose that the production of income would be decreased by a single farthing through any sulking of the despoiled spoilers. If a man is producing nothing, nobody can be the worse for a reduction of his incentive to produce. The real difficulty in the way of taxing unearned incomes to extinction, is the impossibility of a seizure of £800,000,000 every year by a Government which, as at present organized, has no means of immediately restoring that sum to general circulation in wages and salaries to employees of its own. This difficulty has been explicitly dealt with in Fabian Essays (page 189, etc.), in a passage which Mr. Mallock's criticisms do not affect.

The Long and Short of the Matter.—The long and short of the matter is that Mr Mallock has confused the proprietary classes with the productive classes, the holders of ability with the holders of land and capital, the man about town with the man of affairs. In 1894 I advised him to take up the works of the Individualist American economist, General F. A. Walker, who, before the Fabian Society was born, expounded the economics of ability in a manner to which neither Fabians nor Conser-

vatives have raised, or need raise, any objection. He did not take my advice until he went to America and was accused of borrowing from the General by somebody who must surely have understood neither of the twain. But now that he has read him, he can appreciate the following passage from the same author's Money in its Relation to Trades and Industry (London, 1880, pp. 90–91) :—

> The attitude of both laborers and capitalists [during a period of five years' industrial depression in the United States] has given the strongest testimony that the employing classes are completely the masters of the industrial situation. To them capital and labor are obliged alike to resort for the opportunity to perform their several functions; and whenever this class, in view of their own interests, refuse that opportunity, capital and labor remain unemployed, incapable of the slightest initiative in production.

There you have your skilled economist. He does not romance about capitalists inventing Atlantic steamers : he shews you the capitalist and the laborer running helplessly, the one with his money, the other with his muscle, to the able man, the actual organizer and employer, who alone is able to find a use for mere manual deftness, or for that brute strength or heavy bank balance which any fool may

possess. And the landlord must put his acres into the same cunning hands. The landlord, capitalist, and laborer can none of them do without the employer: neither can he do without land, capital, and labor. He, as the only party in the transaction capable "of the slightest initiative in production," buys his three indispensables as cheaply as he can; pays the price out of what he makes out of them; and keeps the balance as his profit. If a joint-stock company offers him as much by way of salary as managing director as he can make on his own account, he has no interest in refusing the post. If the Government, or a municipality, offers him equivalent advantages as a State or municipal officer, he will not scorn their offer from a sentimental attachment to "the system of Conservatism." The Fabians have shewn that the situation is changing in such a way as to set our governing bodies, local and central, outbidding the private employer for the services of the laborer, and competing with the private capitalist and landlord for the services of the employer, whilst concurrently confiscating, by familiar constitutional processes, larger and larger portions of the land and capital that has fallen into idle hands. Mr.

Mallock, in reply, bids the Conservatives be of good cheer, since he can prove that nearly all wealth is the product of ability and not of labor—no great consolation to those Conservatives who deal in neither, but only in land and capital. And to set at rest any lingering misgivings which his economic demonstrations may have left, he adds that the gobbling up of proprietary incomes by Social-Democracy, on Fabian lines, is not "fundamental Socialism," but only "incidental and supplementary Socialism," which rightly considered, are "really examples and results of a developing Individualism." This explanation has been of great comfort to the Fabians. Whether it will be equally relished by the Conservatives is a question upon which I am too modest to offer an opinion.

NOTE.—The authorities for the figures given on pages 36 and 56, with many other particulars as to the distribution of income in this country which should be in the hands of every citizen, will be found in Fabian Tract No. 5, Facts for Socialists. Fabian Tract No. 7, Capital and Land, should also be read in this connexion.

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